

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION CONFERENCE COMMITTEE ON HOUSE AMENDMENTS TO SENATE BILL 427

Call to Order: By **CHAIRMAN DALE MAHLUM**, on April 7, 2001 at
2:00 P.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Sen. Dale Mahlum, Chairman (R)
Rep. John Esp, Vice Chairman (R)
Sen. Royal Johnson (R)
Rep. Jeff Mangan (D)

Members Excused: Sen. Chris Christiaens (D)
Rep. William Price (R)

Members Absent: None.

Staff Present: Eddy McClure, Legislative Branch
Mary Gay Wells, Committee Secretary

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Executive Action: SB 427 Amended

{Tape : 1; Side : A; Approx. Time Counter : 0}

HEARING ON SB 427

CHAIRMAN DALE MAHLUM opened the meeting. The House amendments were not satisfactory to the Senate. He asked for comments or suggestions that would overcome this objection. The language that was amended out of the bill was on page 1, lines 27-29. It read: "The bonds do not constitute and may not be included as an indebtedness or a liability for purposes of any statutory debt

limitation, including the limitations in 7-7-2101, 7-7-2203, and 7-14-2524, but are subject to the limitations in this section."

Comments and Questions from Committee Members and Responses:

These comments are paraphrased because the committee first met in the hall and continued in Room 350. Their conversation was intertwined.

SEN. ROYAL JOHNSON said the county can issue .68% of the 1.4% in this type of debt, but they can't issue totally bonds and debt that would exceed 1.4%. The counties are agreeable to that. He just couldn't seem to get the right words to state that correctly. He felt it was implied in the bill but did not know if it said that. That was his question.

Gordon Morris said that bonds issued under this section would be codified in 7-14-2524 and would also fall under the debt limitation of the county which is 1.4%.

SEN. JOHNSON did not have a problem with the way it was written, just so county commissioners understand what they can and cannot do.

SEN. JOHNSON made the suggestion to add onto line 29 the specific provision that they could not exceed 1.4% of the county debt.

REP. JEFF MANGAN informed them the House's intent was not to escape the debt limits. He offered to put the struck language back in as a positive rather than as a negative statement. He suggested that the bonds do constitute indebtedness or liability for purposes of statutory debt limits under 7-14-2524.

Eddye McClure suggested that the .68% be counted toward the 1.4%. She suggested bonds issued in the amount of .68% must be included in calculating the max of their limit of 1.4%.

SEN. JOHNSON proposed that the legislative staffers put the correct words together and each member of the Conference Committee could then vote yes or no. He felt that the intent of the committee was known to them.

CHAIRMAN MAHLUM asked the committee members if that would be agreeable.

Eddye McClure suggested the following to be put it at the end of the sentence. "Here's your bond in this section and by the way, whatever bonds you do, you have a maximum of .68% and that will count toward the limit of the other sections."

Gordon Morris asked to paraphrase the proposed language. "The absolute limit for the sum of all bridge and road debt is 1.4% You get there by virtue of the .68% for bridge and .68% for road."

CHAIRMAN MAHLUM wanted to leave the counties with a little leeway and allow them to spend more on roads than bridges if necessary in one year but still not to exceed the 1.4%.

REP. ESP asked what was the total limit on total county indebtedness for all purposes? **Gordon Morris** answered it was 28%. **REP. MANGAN** said it was 23% now.

REP. ESP asked if the counties needed more than the .68% for total indebtedness for roads and bridges.

Gordon Morris said that gave them a lot of room to work in. What had been done was to separate roads and bridges. There is .68% for roads and .68% for bridges. The road is a limited bond and bridges are a general bond. So the .68% for bridges is a totally different figure than what .68% for roads would be. The counties could live with .68% on a road only basis.

REP. MANGAN did not think language could be added that specifies up to 1.4% and include some of that other language. He wanted to work with the language they had been looking at.

SEN. JOHNSON said he was willing to let **Eddye McClure** put something together just so long as the bill ends up with bridges considered separately from this situation. Not many roads are going to be built under this. What is needed is something to build the roads with and to maintain those roads. They needed equipment.

CHAIRMAN MAHLUM charged **Eddye McClure** to come up with the proper language and check with each member for their approval. Everyone seemed to be in agreement. They voted and it was unanimous.

Eddye McClure did put the amendment together

EXHIBIT(ccs79sb0427a01). She checked with each member and it was approved.

ADJOURNMENT

Adjournment: 2:30 P.M.

SEN. DALE MAHLUM, Chairman

MARY GAY WELLS, Secretary

DM/MGW

EXHIBIT (ccs79sb0427aad)